

ASSEMBLY BILL

No. 1636

Introduced by Assembly Member Briggs

February 23, 2001

An act to add Section 6356.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1636, as introduced, Briggs. Sales and use tax: exemptions: gasoline and diesel fuel.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property, and establishes various exemptions from that tax.

This bill would exempt diesel fuel from the taxes imposed by this part.

This bill would specify that this exemption does not apply to local sales and use taxes or transactions and use taxes. This bill would also provide that this exemption does not apply to specified additions to the State Sales and Use Taxes for public safety and local revenue purposes. This bill would further provide that any revenue losses resulting from this bill will reduce only the amount of sales tax revenue required to be deposited in the General Fund.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 6356.5 is added to the Revenue and Taxation Code, to read:

6356.5. (a) There are exempted from the taxes imposed by this part, the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of diesel fuel.

(b) (1) Notwithstanding any provision of the Bradley-Burns Uniform Local Sales and Use Tax Law (part 1.5 (commencing with Section 7200)) or the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), the exemption established herein does not apply with respect to any tax levied by a county, city, or district, pursuant to, or in accordance with, either of these laws.

(2) The exemption established by this section does not apply with respect to any tax levied pursuant to Sections 6051.2 and 6201.2, or pursuant to Section 35 of Article XIII of the California Constitution.

(c) The revenue losses resulting from this section shall be applied to reduce only that amount of the sales and use tax that is required by law to be deposited in the General Fund.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall become operative on the first day of the first calendar quarter commencing more than 90 days after the effective date of this act.